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# The Sustained Poverty of the Philippines

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## **The Sustained Poverty of the Philippines**

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What accounts for the poverty of the Philippines? According to the World Bank, during the years 1985-1995 the Philippines was the only large country in East Asia where the total number of people living on less than one dollar a day did not decline. Currently, 40 percent of the population is considered to be in poverty. Along with receiving lower wages, Filipinos are struck by an average of 10 to 20 strong typhoons and five cyclones each year. They also experience earthquakes on a regular basis because a major fault line passes through the entire length of the Philippines. Along with natural disasters, health problems are also a major concern for the Filipinos. Malnutrition and communicable diseases are common among the Filipino children. Also, non-communicable diseases and cancer are on the rise and are the leading causes of death. The purpose of this presentation is to explain the effect of natural disasters on the economy of the Philippines using the Solow model.

Although the Philippines has had a democratic form of government since 1986, they continue to struggle with economic stability. The large inequality between the poor (40%) and the wealthy and powerful (8-10%) is a growing concern. To help tackle this problem in the Philippines the government should focus on economic growth and stability and develop policies enabling the poor to live in houses and buy food for themselves and their children. Quality improvements should also be made in education and health services.